NATIONAL CANNERS ASSOCIATION

INFORMATION LETTER

PUBLICATION OR REPRODUCTION NOT PERMITTED

No. 451 Washington, D. C. April 23, 1932

PROSPECTS OF CORN FOR CANNING

Under present conditions of prices with a prospective heavy carry-over, a 1932 corn pack of 10 million cases would probably satisfy consumption requirements and leave a carry-over somewhat above average, according to a statement issued on April 22 by the Bureau of Agricultural Economics. From 5½ to 6 million cases of corn from the 1931 pack will probably be available at the beginning of this year's packing season.

A carry-over of this size when added to a pack of 8 million cases would make a supply of from 13½ to 14 million cases, an amount which might be very slightly above consumption during 1932-33. The same carry-over if added to a pack of 10 million cases would make a supply of from 15½ to 16 million cases, with the possibility of a corresponding larger carry-over into the following year. A supply of 2 million cases or more in excess of current consumption requirements may be more burdensome than a similar excess in previous years.

The apparent annual consumption of canned corn for the period 1925-26 to 1929-30 averaged slightly above 16 million cases. The average pack for that 5-year period was somewhat above 17 million cases. It is apparent, therefore, that for this 5-year period, the pack has been averaging larger than the apparent consumption. The necessary carry-over of stocks during this period was the result of the unusually large packs of 1925, 1926 and 1929. With the exception of the year 1926-27, canned corn prices for that 5-year period were somewhat above the level of prices for the last 10 years.

Beginning with 1930-31 the apparent consumption of canned corn began to decline below the level of the average of the preceding five years. Three major factors influenced this decline. The purchasing power of consumers has been drastically curtailed. This reduced purchasing power affects both urban and country consumers. Employment in cities which, according to the Federal Reserve Index, was around 100 per cent in 1929 dropped to 95.4 in 1930 and to 79.3 for 1931. The prices of farm

products during these two years also declined quite rapidly, thus reducing the purchasing power of farmers. The index of prices of farm products in 1929 was 101.5 per cent. In 1930 this index had dropped to 86, and in 1931 to 59.

The rapid increase in acreage and supplies of fresh vegetables shipped to consuming centers from November to May, with the resulting price decline, is another important factor affecting prices and volume of consumption of canned goods. This factor has been increasingly significant in recent years.

During 1930-31 the average price of 93.6 cents per dozen No. 2 cans of standard crushed corn at Baltimore was about equal to the average price for the 11-year period, 1920-21 to 1930-31. The United States consumption of canned corn for 1930-31 appears to have been around 15 million cases, which was about a million cases less than the average apparent consumption for the previous 5-year period. The pack in 1930-31 was below average, but the industry was forced to carry over into the 1931-32 season about a million cases. This carry-over, when added to the unusually large pack of 1931, made a supply for 1931-32 of somewhat over 20 million cases, which was considerably above average. Owing to this large supply, and because of the continued decline in employment and consumer buying power and in prices of farm products, and because of further declines in the prices of competing foods, the price of canned corn dropped very rapidly during the fall of 1931.

Although the decline in wholesale prices of canned corn during the current year has been relatively greater than the decline in employment or other factors affecting prices and consumption, it appears that consumption in 1931-32 will be somewhat smaller than that of 1930-31. Reports of movement of canned corn into consuming channels for the period August 1, 1931 to April, 1932, indicate somewhat smaller consumption than for the corresponding period last year. During the last three months of that period, however, the apparent sales of canned corn have tended to improve over those of the corresponding period in 1931. If this improvement continues for the remainder of the current crop year, that is, to August 1, 1932, the apparent consumption for 1931-32 may be between 14 and 15 million cases, probably not above 14½ million cases. A consumption of 14½ million cases for the current crop year would leave a carry-over on August 1 of from 5½ to 6 million cases.

The factors affecting the demand for canned corn continue depressing. The index of prices of farm products for March was

61 per cent of the 1926 level and the prices of foods in general have continued to decline. The index of employment for January 1932, was 68 per cent. The effect of this unusually low level of employment on the apparent consumption and on prices of canned corn may be increasingly important if this level of employment should continue for some time. After the purchasing power of the consumer has declined for a considerable period, there is a greater tendency for reserve buying power to be depleted and for consumers to buy a much larger percentage of lower priced foods than was the case earlier in the period of the decline in employment.

If the decline in the apparent consumption of canned corn which has taken place since 1929 continues at the same rate, the apparent consumption for 1932-33 may be about 13½ million cases. A carry-over of 5½ to 6 million cases at the beginning of this year's pack, and a pack in 1932 of 10 million cases would make a supply of from 15½ to 16 million cases. If 13½ million cases were consumed during the year, about 2½ to 3 million cases would have to be carried over into the 1933 packing season. A normal carry-over is about 2 million cases. A pack of 8 million cases in 1932 would result in a supply of from 13½ to 14 million cases and the carry-over into the 1933 season might be small.

In 1921-22 the apparent consumption was from 13 to 13½ million cases, and the pack was 8.8 million cases. The average price of No. 2 standard crushed corn at Baltimore for that year was 97.9 cents per dozen, but the index of employment for 1921-22 was 84.9, which is well above the March 1932 index of 68. Likewise the index of farm prices of 1921-22 was 85.3 as compared with 44.9 for March, 1932, and the index of wholesale food prices for 1921-22 averaged 88 as compared with 62.5 for February 1932. If employment, and prices of farm products and foods do not improve during 1932-33 a supply of from 15½ to 16 million cases of canned corn may result in prices considerably below those of 1921-22.

A pack of 8 million cases would require about 340,000 tons of green corn, if the average relation between the production of green corn for canning and the size of the United States pack were maintained. The United States average yield per acre of green corn for canning for the 14-year period, 1918 to 1931, was slightly over two tons. If a yield of about two tons were obtained in 1932, about 170,000 acres would be required to produce 340,000 tons. Calculating normal abandonment to be about 4

per cent, about 181,000 acres would need to be planted. The acreage planted in 1931 was reported to be 359,590 acres; 181,000 acres is about 50 per cent of the 1931 planted acreage. A 10 million case pack would require 420,000 tons of green corn or a planted acreage of 218,600 which would be 60.8 per cent of the 1931 acreage. The intention to plant as of April 1 this year indicated that growers expected to plant 218,600 acres to green corn for canning, as shown by the report issued by the Bureau of Agricultural Economics on April 7.

PURITY OF SALT USED IN QUALITY PEA GRADERS

The Research Laboratory is submitting to the trade papers for publication an article on the purity of salt used in quality pea graders. This article is an extension of the statement made on the same subject in the last annual report to the Research Committee.

In the investigations reported, it was found that the presence of calcium compounds as impurities in salt for pea grading purposes is not nearly so objectionable as it is in salt used for making brine for canning. At the same time, it appears that the use of very pure salt has some advantage, in that under the conditions of use in quality graders it tends to extract calcium from the peas. This is an advantage especially with peas blanched in hard water, since the skins of peas are toughened by the presence of abnormal amounts of calcium.

INTENDED ACREAGE IN CANNING TOMATOES, CUCUMBERS AND CABBAGE

Reductions of 7.6 per cent in the acreage of tomatoes for manufacture, 42.3 per cent in cucumbers for pickles, and 12.3 per cent in cabbage for kraut are indicated by reports issued April 12th by the U. S. Bureau of Agricultural Economics. The reports follow:

TOMATOES

Reports from 438 firms representing 45 per cent of the total acreage of tomatoes grown for canning and manufacture in 1931, indicate that these firms intend to contract or plant for the 1932 season an acreage of 7.6 per cent below the acreage planted in 1931. The 438 reports received were well distributed among all important producing areas and should be fairly representative of the change now intended for the country as a whole.

Should this 7.6 per cent reduction be carried out on the total acreage, the 1932 planted acreage would amount to 274,190 acres compared with 296,750 acres planted in 1931 and 404,620 acres planted in 1930. Allowing for usual acreage abandonment not in excess of 1 per cent, the acreage for harvest in 1932 would be around 272,000 acres compared with 292,280 acres harvested in 1931 and with an average of 303,700 acres harvested during the five-year period previous to 1931.

State	1930 Planted	1930 Harvested	1931 Planted	1931 Harvested	1932 Intended Per Cent of 1931 Planted	1932 Intended Acreage
	Acres	*Acres*	*Acres*	*Acres*		*Acres*
New York	15,500	15,500	11,300	11,300	91.1	41,530
New Jersey	43,000	43,000	30,000	30,000		
Pennsylvania	5,400	5,400	4,300	4,300		
Delaware	14,000	14,000	11,800	11,800	98.4	59,620
Maryland	48,900	48,900	38,000	38,000		
Virginia	15,500	15,500	10,800	10,800		
Ohio	12,400	12,400	10,300	10,300	102.3	89,320
Indiana	79,000	79,000	66,000	64,000		
Illinois	7,000	6,500	4,900	4,650		
Michigan	2,600	2,600	2,000	2,000		
Iowa	6,400	6,400	6,400	6,400		
Kentucky	8,430	8,430	5,900	5,700	85.1	13,060
Tennessee	14,000	14,000	11,200	10,700		
Missouri	28,900	28,900	20,200	20,000	82.3	30,270
Arkansas	28,000	28,000	16,800	16,800		
Colorado	2,700	2,230	2,900	2,500	85.4	31,430
Utah	8,200	8,200	6,040	6,200		
California	52,250	52,250	28,110	28,110		
Other states *	12,440	12,440	9,200	8,720	92.4	8,060
Total	404,620	403,650	296,750	292,280	92.4	274,190

* "Other states" consist of Connecticut, Idaho, Kansas, Louisiana, Mississippi, Nebraska, New Mexico, Oklahoma, Oregon, South Carolina, Texas, Washington, West Virginia and Wisconsin.

The harvested acreage in 1929 was 317,820 acres and in 1928 it was 265,750.

During the past five years the average yield per acre has varied from 3.53 to 4.76 tons per acre. Judging from the average yields obtained for the last five or six years, it appears that an average yield of 4.2 to 4.3 tons per acre might be expected in a year of no unusually favorable or unfavorable growing conditions. Therefore, the most probable production on 272,000 acres for harvest appears to be about 1,156,000 tons. Estimated production in 1931 was 1,014,600 tons; the average production for the five years preceding 1931 was 1,287,500 tons. The pack of canned tomatoes resulting from a production of 1,156,000 tons would depend upon the proportion of the total which would be utilized as paste, puree, catsup, sauces, soups, tomato juice, etc. During 12 of the past 14 years, however, variations in the size of the pack have been closely associated with variations in total production. Should this close relationship hold good for 1932, a total production of 1,156,000 tons would probably result in a pack of about 11¼ million cases of No. 3 cans.

Cucumbers for Pickles

According to reports from 68 representative pickle packing firms, a reduction of 42.3 per cent below last year's planted acreage is now planned. Drastic decreases are apparently intended in all producing areas, with the Far Western group showing the greatest cut.

Should the 42.3 per cent reduction be carried out by the industry as a whole, a total of 49,210 acres would be planted compared with the 89,030 acreas planted in 1931 and 123,530 acres planted in 1930. Allowing about 5 per cent for usual abandonment of acreage, the 1932 acreage for harvest would then be around 46,750 acres. The harvested acreage in 1931 was 85,220 acres; the average for the five years preceding 1931 was 81,400 acres. The average yield per acre during the past five years was 59 bushels. Unless growing conditions are unusually favorable or unfavorable in 1932, the total production on 46,750 acres would probably be around 2,758,000 bushels. Estimated production in 1931 was 5,976,000 bushels; the average production for the five years preceding 1931 was 4,737,000 bushels.

State	1930 Planted	1930 Harvested	1931 Planted	1931 Harvested	1932 Intended Acreage Per Cent of 1931 Planted	1932 Intended Acreage
	Acres	*Acres*	*Acres*	*Acres*		*Acres*
Massachusetts *	700	700	500	500	77.7	3,720
New York	4,770	4,770	4,290	4,290		
Ohio	7,100	7,000	4,900	4,800		
Indiana	12,960	12,500	8,550	7,780		
Illinois	1,600	1,400	1,300	1,260		
Michigan	33,000	30,000	23,600	22,000	56.6	32,800
Wisconsin	20,000	19,000	15,000	14,200		
Minnesota	4,550	4,500	3,000	2,940		
Iowa	4,200	4,000	3,400	3,400		
Missouri	2,800	2,800	1,620	1,620		
Maryland	2,160	2,160	1,910	1,910		
Virginia	2,000	2,000	1,600	1,600		
Kentucky	1,500	1,500	1,000	1,000	59.6	7,040
Mississippi	7,200	7,100	5,250	5,250		
Louisiana *	1,600	1,600	860	860		
Texas *	3,000	3,000	1,200	1,200		
Colorado	3,350	2,800	2,150	1,820		
Washington	710	700	500	500		
Oregon *	2,060	2,060	1,270	1,200	43.2	2,770
California	3,610	3,440	2,920	2,890		
Other states †	4,660	4,660	4,210	4,200	68.6	2,880
Total	123,530	117,690	89,030	85,220	57.7	49,210

* Included in "Other states" previous to 1929.
† "Other states" include Alabama, Connecticut, Delaware, Florida, Nebraska, North Carolina, Pennsylvania, South Dakota, Utah and Wyoming.

The harvested acreage in 1929 was 80,370 acres and in 1928 it was 76,790.

Cabbage for Kraut

According to reports from 45 representative kraut packers who handled at least two-thirds of the total production in 1931, the intended contract acreage for 1932 is 12.3 per cent below the acreage contracted last year.

The table below gives, by states, the estimates of total acreages (contract and open-market) harvested from 1928 to 1931, inclusive, along with the total acreage which would result in 1932 should the open-market acreage be in line with the contract intentions. In past years the change in total acreage has usually followed closely the change in the contract acreage.

State	1928 Harvested	1929 Harvested	1930 Harvested	1931 Harvested	Per Cent of 1931 Harvested	Intended 1932
	Acres	*Acres*	*Acres*	*Acres*		*Acres*
New York	5,400	6,000	9,000	5,800	98.0	5,380
Ohio	2,250	2,700	3,300	2,200		
Indiana	730	1,080	1,400	1,260		
Illinois	670	670	800	550		
Michigan	1,620	1,700	2,030	1,420	76.8	8,300
Wisconsin	4,000	5,500	7,200	5,000		
Minnesota	430	500	540	380		
Colorado	500	500	500	250		
Washington	260	320	320	200	133.5	600
Other states *	1,400	1,640	2,660	1,630	110.5	1,800
Total	17,260	20,610	27,750	18,690	87.7	16,380

* "Other states" consist of Arkansas, California, Iowa, Maryland, Montana, Missouri, Nebraska, Oregon, Pennsylvania, Tennessee, Utah and Virginia.

The harvested acreage in 1927 was 12,820 acres.

TRUCK CROP SHIPMENTS

Increased demand and more favorable prices for tomatoes brought out much heavier shipments from Mexico during the week ended April 16. That country sent 375 carloads to the United States, while Cuban receipts decreased to about 40 cars. Florida forwardings increased to around 445 cars, compared with 100 a year ago.

California shipments of asparagus have passed their peak. Movement from that state decreased to 615 cars, while South Carolina increased to about 40 and Washington to about a dozen cars. Total shipments were 80 per cent heavier than those of the same week last spring.

The general delay in movement of strawberries and the damage from cold weather is seen in a carlot movement only one-fourth as great as shipments of a year ago. However, movement had increased to 195 cars, of which Louisiana furnished 90, Florida 60, California 35 and Texas 6 cars.

Central California became the leading source of green peas, output of that district increasing to 410 cars, or 60 per cent more than movement of a year ago. Mixed vegetable shipments increased to 810 cars, chiefly from Texas, California, Florida and Louisiana.

Total shipments of 27 important fruits and vegetables increased considerably to 16,400 cars and were fully 1,000 cars heavier than movement of the corresponding period last year.

CARLOT SHIPMENTS

Commodity	April 10-16 1932	April 3-9 1932	April 12-18 1931	Total this season thru April 16	Total last season thru April 18	Total last season
Apples, total	927	846	625	97,489	105,706	109,794
Western states	558	544	486	43,722	63,135	66,538
Eastern states	369	302	139	53,767	42,571	43,256
Asparagus	674	711	373	2,644	2,493	3,866
Beans, snap and lima	56	56	233	5,967	3,029	9,344
Beets	53	41	100	792	995	1,694
Cabbage:						
1932 season	598	694	885	8,625	11,770	37,788
1931 season	2	14	13	37,788	38,199	38,204
Carrots:						
1932 season	307	225	220	4,377	5,734	11,432
1931 season	15	17	41	11,432	12,034	12,437
Cauliflower	109	107	146	9,087	9,158	9,611
Greens (except spinach)	91	112	66	2,804	1,512	1,633
Mixed vegetables:						
Domestic	807	663	978	10,532	12,060	28,534
Imports	18	13	8	120	262	298
Pears	34	59	35	19,890	28,583	28,828
Peas, green	413	318	287	2,004	2,347	7,183
Peppers:						
Domestic	90	61	47	1,544	1,378	2,818
Imports	15	9	15	129	311	360
Spinach	257	300	280	7,266	8,403	9,768
Tomatoes:						
Domestic	445	333	102	4,568	2,295	27,841
Imports	413	254	337	3,788	4,931	5,755

WHOLESALE AND RETAIL PRICES IN MARCH

The index number of wholesale prices computed by the Bureau of Labor Statistics inclined from 66.3 for February to 66 in March, a decrease of less than one-half of 1 per cent. The decrease from March, 1931, which had an index number of 76, was about 13 per cent. Price decreases were reported for evaporated milk and most canned fruits, although canned pineapple averaged higher than in the month before.

Retail food prices in 51 cities showed an average decrease of about one-third of 1 per cent on March 15 when compared with February 15, and an average decrease of about 17 per cent since March 15, 1931. The price of evaporated milk decreased 4 per cent and canned corn 2 per cent, while canned red salmon and canned peas decreased 1 per cent. One per cent increase was reported in the price of canned tomatoes.

BRITISH MEDICAL OFFICER VISITS N. C. A. LABORATORIES

Dr. W. G. Savage, Medical Officer of Health of Somerset County in England, was in Washington last week and spent some time in the Association's laboratories. He is in this country for the purpose of giving several lectures on food poisoning and other questions relating to public health.

BUSINESS INDICATORS

(Weeks ended Saturday; weekly average 1923-1925=100)

	1932			1931		1930	
	April 16	April 9	April 2	April 18	April 11	April 19	April 12
Composite Index:*							
New York Times	59.9	†60.2	79.7	80.1	95.5	96.6	
Business Week	57.3	†55.6	78.6	78.4	94.1	96.6	
Freight car loadings	56.8	56.8	79.3	†76.9	93.1	95.1	
Wholesale prices (Fisher's):							
All commodities	62.4	62.5	62.9	74.6	75.2	90.7	91.3
Agricultural products	45.2	45.3	45.8	65.0	65.6	95.9	96.4
Non-agricultural products	65.7	66.0	66.1	77.2	77.8	88.1	89.0
Bank debits outside N. Y. City	67.4	86.5	60.8	103.3	93.7	129.6	121.2
Bond prices	82.8	83.9	87.5	106.9	106.9	106.1	106.4
Stock prices	55.6	59.6	67.3	152.2	155.8	249.0	248.8
Interest rates:							
Call money	60.6	60.6	60.6	36.4	38.3	97.0	97.0
Time money	63.8	68.6	68.6	51.4	50.5	102.9	102.9
Business failures	160.4	149.1	149.9	138.3	133.9	120.6	121.4

* Relative to a computed normal taken as 100.
† Revised.

Car Loadings

	Total	Miscellaneous	Merchandise L. C. L.	Other
Week ended April 9	544,806	196,413	187,687	160,706
Previous week	544,961	192,535	186,489	165,937
Corresponding week, 1931	737,272	293,685	223,631	219,956
Corresponding week, 1930	911,316	383,853	252,631	274,832

LATEST NEWS ABOUT THE ADVERTISING CAMPAIGN

One of the best indications of the continued success of the N. C. A. campaign is the steadily growing number of tie-in advertisers.

During the first six weeks of the campaign 333 retailers, 46 wholesalers and 45 canners took advantage of the opportunity to place their advertising by N. C. A. ads in cities where the campaign is appearing.

Since April 1st 52 additional retailers, 7 wholesalers and 3 canners have used tie-up space.

Total number of tie-in advertisers to date now numbers over 500 retailers, wholesalers and canners.

Equally interesting is the fact that many retailers, wholesalers and canners have tied in with the N. C. A. campaign by running unusually large canned food ads on other pages, ads too large to appear on the N. C. A. page.

Good evidence of how fully women are reading the N. C. A. ads is found in the large number of requests for booklets which have poured into headquarters at Washington.

To date over 200,000 of these booklets have been distributed to interested readers of N. C. A. ads.

The new cuts and mats of canned foods ads that have been offered in the various merchandising manuals sent to retailers, wholesalers and canners each month are being put to good use.

Orders for these cuts and mats have been received from over 200 retailers and canners who are making good use of them in advertising and printed matter.

RECOMMENDS COORDINATION OF RAIL AND MOTOR TRANSPORTATION

The Interstate Commerce Commission, in a report made public April 18th, recommended that common carrier trucks and contract motor carriers be placed under the jurisdiction of the Commission. No recommendation for the control or regulation of truck rates was included, but it was recommended that fares and charges should be published, filed and observed, and that complaints against unlawful charges, practices and service may be made.

The report also recommended that railroads, whether steam or electric, and water carriers, subject to the Interstate Commerce Act, should be specifically authorized to engage in the transportation of both persons and property by motor vehicles in interstate commerce over the public highways, and that such service when directly engaged in by any rail or water carrier, should be subject to the provisions of the Interstate Commerce Act.

BRAINERD IS PROMISING NEW BLACKBERRY VARIETY

The Brainerd, a new blackberry developed by the U. S. Department of Agriculture, gives promise of becoming an important commercial variety. It is the result of a cross of the Himalaya and an eastern erect-growing variety, thought to be the Georgia Mammoth. It has been tried successfully in Oregon, Washington, California, North Carolina, and Maryland. The Brainerd has berries 30 to 60 per cent larger than the Himalaya and its seeds are smaller.

The Department of Agriculture has no plants of the Brainerd blackberry for distribution, but they may be bought from cooperating nurseries in North Carolina, Ohio, and California.

"PLAIN FACTS" TRANSLATED INTO JAPANESE

Eiichi Tanikawa of the Imperial Fisheries Experimental Station at Tokyo, Japan, to whom the Association furnished reprints of its popular bulletins, has just written to the Association:

"I translated your Bulletin 111-A from English into Jap-

anese, and it was published in the Canned Food Times, a magazine published by the Canners Association of Japan."

This bulletin "Plain Facts About Canned Foods and What Eminent Men Say," is one of the series of publications being given extensive distribution in connection with the newspaper advertising campaign.

HEARING ANNOUNCED ON CANDIED FRUIT TARIFF

A public tariff hearing on candied, crystallized or glace fruits will be held by the U. S. Tariff Commission on May 24 at the Commission's office in Washington.

CANADIAN PRICES FOR CANNING TOMATOES

Tomato growers in Ontario, through the Ontario Growers' Markets Council, have raised objections to the price of 25 cents a bushel for tomatoes offered by certain Ontario canneries, according to the assistant trade commissioner at Toronto. The price offered is a reduction of 10 cents below that of last year. It is also stated that canneries are limiting growers' deliveries to approximately two-thirds the average production per acre. Between 85 and 90 per cent of tomato growers approached with contracts at the new prices, it is reported, have signed for the current year.

One large canning company has announced that growers' contract books had been closed April 5. An increased acreage of about 25 per cent from last year's figures was contracted for. Local growers are to receive 35 cents a bushel for tomatoes delivered by September 1 and 30 cents for deliveries after that date. The price to growers in outlying regions is 5 cents less per bushel.

SIAMESE SARDINE AND MILK IMPORTS

Owing to adverse economic conditions in 1931, imports of canned sardines into Siam dropped to $56,643. Heretofore, the annual imports have been as high as $500,000. About 90 per cent of the imports come from the United States.

Siam's evaporated milk imports in 1931 were valued at $245,563, about 40 per cent of which came from the United States.

CANADIAN CANNED SOUP PRODUCTION

The Canadian production of canned soups in 1931 was 824,642 cases, according to information received by the U. S. Department of Commerce, instead of 237,417 cases as stated in the report published in the Information Letter for April 2.

POULTRY USED FOR CANNING SHOWS DECREASE

The amount of poultry canned or used in canning in March was 16.26 per cent less than the quantity used in March, 1931, according to figures for 29 firms reporting to the U. S. Bureau of Agricultural Economics. The amount used in March, 1932, including both dressed poultry and drawn poultry converted to an undrawn basis, was 1,570,476 pounds, as compared with 1,875,392 pounds in March last year.

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